

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
EL DORADO, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2018**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
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JUNE 30, 2018

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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Education
El Dorado Unified School District No. 490
El Dorado, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of and for the year ended **June 30, 2018**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Education
El Dorado Unified School District No. 490

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **El Dorado Unified School District No. 490, El Dorado, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of **June 30, 2018**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of **June 30, 2018**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of regulatory basis cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the financial statement.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Education
El Dorado Unified School District No. 490**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we rendered an unmodified opinion dated November 6, 2017. The 2017 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018, on our consideration of **El Dorado Unified School District No. 490, El Dorado, Kansas**' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **El Dorado Unified School District No. 490, El Dorado, Kansas**' internal control over financial reporting and compliance.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 18, 2018

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 265	\$ 12,096,959	\$ 12,096,960	\$ 264	\$ 42,437	\$ 42,701
Special Purpose Funds							
Supplemental General	246,565	307	4,109,312	4,082,780	273,404	180,715	454,119
At Risk (4 Year Old)	6,001	0	59,081	59,652	5,430	0	5,430
At Risk (K-12)	176,161	0	2,591,950	2,612,966	155,145	0	155,145
Bilingual Education	4,936	0	5,000	5,000	4,936	0	4,936
Virtual Education	4,552	0	45,830	28,059	22,323	0	22,323
Capital Outlay	2,770,707	3,246	1,174,319	1,150,461	2,797,811	233,105	3,030,916
Driver Training	80,525	0	12,658	11,780	81,403	0	81,403
Food Service	181,496	0	1,086,791	1,161,084	107,203	8,162	115,365
Professional Development	94,926	0	13,240	66,254	41,912	3,838	45,750
Parent Education	0	0	14,543	14,543	0	0	0
Summer School	35,516	27	48,083	49,951	33,675	0	33,675
Special Education	781,111	0	2,072,630	2,196,762	656,979	11,620	668,599
Career and Postsecondary Education	64,901	0	288,962	313,863	40,000	3,694	43,694
KPERS Contribution	0	0	1,314,526	1,314,526	0	0	0
Federal Funds	(73,200)	0	665,145	588,824	3,121	1,254	4,375
Gifts and Grants	118,671	0	153,497	132,864	139,304	12,363	151,667
Contingency Reserve	1,166,320	0	0	0	1,166,320	0	1,166,320
Textbook & Student Material							
Revolving	76,877	0	88,623	124,650	40,850	9,500	50,350
District Activity Funds	51,853	0	246,731	240,049	58,535	0	58,535
Debt Service Funds							
Bond and Interest	5,076,601	0	5,612,666	5,576,869	5,112,398	0	5,112,398
Capital Projects	570,588	0	1,065,793	0	1,636,381	3,212,358	4,848,739
	<u>\$ 11,435,107</u>	<u>\$ 3,845</u>	<u>\$ 32,766,339</u>	<u>\$ 31,827,897</u>	<u>\$ 12,377,394</u>	<u>\$ 3,719,046</u>	<u>\$ 16,096,440</u>

Composition of Cash:

Checking Accounts	\$ (816,202)
Certificates of Deposit	50,000
Money Market Accounts	10,896,926
Investments	<u>6,100,437</u>
	16,231,161
Agency Funds	<u>(134,721)</u>
	<u>\$ 16,096,440</u>

The notes to the financial statement are an integral part of this statement.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

El Dorado Unified School District No. 490 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around El Dorado, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Projects Fund-To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were two amendments for the year ended June 30, 2018.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
District Activity Funds	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 2 - In Substance Receipt in Transit:

The District received \$881,922 subsequent to June 30, 2018, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 3 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,314,526 for the year ended June 30, 2018.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Net Pension Liability

At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$15,530,760. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 4 - Interlocal Agreements:

Activity Center

The District entered into an Interlocal Agreement with the City of El Dorado, Kansas on April 21, 1994, to construct, furnish, equip, maintain and operate a community educational and recreational facility. It is located immediately adjacent to and connected with the El Dorado High School building. The District has completed its payment commitment toward the facility's cost. The District is obligated to pay all custodial services and 50% of all utilities and maintenance.

Community Stadium

On March 1, 2010, the District entered into an interlocal agreement with Butler Community College and the City of El Dorado for the creation and operation of Educational Facilities Authority of Butler County to facilitate the renovation of Blackmore Stadium and the future acquisition, lease, development, improvement, renovation, repair and operation of such other educational and athletic facilities as the Authority shall determine for the joint benefit of the College, the District, the City and members of the general public. As of the date of this report, the utility costs are split by the college and the school district and all three entities are responsible for an annual long-term maintenance payment based upon percentage of use.

Note 5 - Capital Projects:

At year-end, capital project authorization compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Elementary School Buildings and Performance Arts Center	<u>\$ 36,188,694</u>	<u>\$ 34,552,313</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 6 - Deposits & Investments:

As of June 30, 2018, the District had the following investments and maturities:

Investment Type	Fair Value	Maturity Less Than One Year	Rating
U.S. Treasury Notes	\$ 6,097,864	\$ 6,097,864	S&P AAA/S 1+

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2018, is as follows:

Investment Type	Percentage of Investments
U.S. Treasury Notes	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$10,130,724 and the bank balance was \$11,304,895. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$657,969 was covered by federal depository insurance and the remaining \$10,646,926 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 7 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:									Total
	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Virtual Education	Food Service	Parent Education	Summer School	Special Education	Career and Postsecondary Education	
Transfer from:										
General Fund	\$ 59,081	\$ 2,491,950	\$ 5,000	\$ 45,830	\$ 0	\$ 5,635	\$ 18,902	\$ 2,039,749	\$ 264,091	\$ 4,930,238
Supplemental										
General Fund	0	100,000	0	0	50,000	0	24,571	0	0	174,571
	<u>\$ 59,081</u>	<u>\$ 2,591,950</u>	<u>\$ 5,000</u>	<u>\$ 45,830</u>	<u>\$ 50,000</u>	<u>\$ 5,635</u>	<u>\$ 43,473</u>	<u>\$ 2,039,749</u>	<u>\$ 264,091</u>	<u>\$ 5,104,809</u>

Note 8 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Note 9 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 10 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 11 - Subsequent Events:

The District has evaluated subsequent events through December 18, 2018, the date which the financial statement was available to be issued.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Note 12 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 13 - Advance Refunding of Bond Obligation:

On August 2016, the District issued \$20,720,000 of General Obligation Bonds with interest rates ranging from 2.00% to 4.00%. Of the issue \$22,669,577 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$20,605,000 of principal amount of the 2010-B Series Bonds until the redemption date of September 1, 2020 at which time the bonds will be retired.

Note 14 - Long-Term Debt:

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually. Principal and interest payments on the capital leases are due quarterly and annually.

Terms for long-term liabilities for the District for the year ended June 30, 2018, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2007 Series	4.00 - 5.00	10/1/07	\$ 10,000,000	9/1/30
2010 Series A	2.00 - 5.00	12/30/10	\$ 3,340,000	9/1/18
2010 Series B	6.63 - 7.00	12/30/10	\$ 20,605,000	9/1/35
2010 Series C	5.67	12/30/10	\$ 12,500,000	9/1/28
2012 Series	4.00 - 5.00	6/1/12	\$ 7,570,000	9/1/24
2016 Series A	2.00 - 4.00	8/1/16	\$ 20,720,000	9/1/35
2016 Series B	3.00 - 4.00	8/1/16	\$ 33,935,000	9/1/43
2017 Series A	3.00 - 4.00	6/6/17	\$ 9,080,000	9/1/30

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018

Changes in long-term liabilities for the District for the year ended June 30, 2018, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2007 Series	\$ 40,000	\$ 0	\$ 40,000	\$ 0	\$ 196,321
2010 Series A	1,000,000	0	500,000	500,000	37,500
2010 Series B	20,605,000	0	0	20,605,000	1,421,050
2010 Series C	11,900,000	0	325,000	11,575,000	665,516
2012 Series	6,655,000	0	765,000	5,890,000	128,520
2016 Series A	20,720,000	0	0	20,720,000	0
2016 Series B	33,935,000	0	0	33,935,000	1,276,650
2017 Series A	9,080,000	0	0	9,080,000	221,312
	<u>\$ 103,935,000</u>	<u>\$ 0</u>	<u>\$ 1,630,000</u>	<u>\$ 102,305,000</u>	<u>\$ 3,946,869</u>

Current maturities of long-term debt and interest for the next five years and in five-year increments through maturity are as follows:

	Principal	Interest	
	General Obligation Bonds	General Obligation Bonds	Total Principal and Interest
2019	\$ 1,675,000	\$ 3,769,391	\$ 5,444,391
2020	1,850,000	3,702,077	5,552,077
2021	22,515,000	3,278,271	25,793,271
2022	2,115,000	2,850,898	4,965,898
2023	2,205,000	2,769,121	4,974,121
2024 - 2028	12,370,000	12,412,976	24,782,976
2029 - 2033	14,940,000	9,736,922	24,676,922
2034 - 2038	18,010,000	6,723,925	24,733,925
2039 - 2043	21,650,000	3,158,375	24,808,375
2044	4,975,000	99,500	5,074,500
	<u>\$ 102,305,000</u>	<u>\$ 48,501,456</u>	<u>\$ 150,806,456</u>

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 12,250,109	\$ (170,656)	\$ 17,507	\$ 12,096,960	\$ 12,096,960	\$ 0
Special Purpose Funds						
Supplemental General	4,082,172	0	608	4,082,780	4,082,780	0
At Risk (4 Year Old)	66,001	0	0	66,001	59,652	(6,349)
At Risk (K-12)	2,612,966	0	0	2,612,966	2,612,966	0
Bilingual Education	5,000	0	0	5,000	5,000	0
Virtual Education	28,059	0	0	28,059	28,059	0
Capital Outlay	2,990,000	0	0	2,990,000	1,150,461	(1,839,539)
Driver Training	17,700	0	0	17,700	11,780	(5,920)
Food Service	1,133,000	0	33,949	1,166,949	1,161,084	(5,865)
Professional Development	98,200	0	0	98,200	66,254	(31,946)
Parent Education	39,425	0	0	39,425	14,543	(24,882)
Summer School	58,000	0	0	58,000	49,951	(8,049)
Special Education	2,543,662	0	0	2,543,662	2,196,762	(346,900)
Career and Postsecondary Education	296,500	0	17,363	313,863	313,863	0
KPERS Contribution	1,317,998	0	0	1,317,998	1,314,526	(3,472)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	588,824	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	132,864	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material						
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	124,650	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	240,049	XXXXXXXXXX
Debt Service Funds						
Bond and Interest	5,576,969	0	0	5,576,969	5,576,869	(100)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
	<u>\$ 33,115,761</u>	<u>\$ (170,656)</u>	<u>\$ 69,427</u>	<u>\$ 33,014,532</u>	<u>\$ 31,827,897</u>	<u>\$ (2,273,022)</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 35,273	\$ 17,507	\$ 0	\$ 17,507
State Sources	12,129,816	12,079,452	12,250,109	(170,657)
	<u>12,165,089</u>	<u>12,096,959</u>	<u>\$ 12,250,109</u>	<u>\$ (153,150)</u>
Expenditures				
Instruction	4,928,324	4,862,940	\$ 4,703,984	\$ 158,956
Student Support Services	919	26,679	1,000	25,679
Instructional Support Staff	3,022	3,324	3,224	100
General Administration	22,400	27,793	25,000	2,793
School Administration	916,714	899,821	955,800	(55,979)
Operations & Maintenance	1,298,130	1,335,776	1,361,000	(25,224)
Student Transportation Services	13,299	10,389	0	10,389
Transfers	4,982,484	4,930,238	5,200,101	(269,863)
Adjustment to Comply with Legal Max	0	0	(170,656)	170,656
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>17,507</u>	<u>(17,507)</u>
	<u>12,165,292</u>	<u>12,096,960</u>	<u>\$ 12,096,960</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(203)	(1)		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>203</u>	<u>265</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 264</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,714,879	\$ 2,824,770	\$ 2,522,383	\$ 302,387
County Sources	230,440	237,411	238,843	(1,432)
State Sources	1,143,007	1,047,131	1,048,798	(1,667)
	<u>4,088,326</u>	<u>4,109,312</u>	<u>\$ 3,810,024</u>	<u>\$ 299,288</u>
Expenditures				
Instruction	456,481	484,669	\$ 424,000	\$ 60,669
Student Support Services	740,460	704,842	786,000	(81,158)
Instructional Support Staff	853,563	839,705	743,500	96,205
General Administration	388,742	384,546	391,500	(6,954)
School Administration	21,547	21,075	21,365	(290)
Central Services	170,617	186,711	176,500	10,211
Operations & Maintenance	858,019	887,494	904,000	(16,506)
Student Transportation Services	326,314	358,556	323,500	35,056
Other Supplemental Services	50,789	40,611	0	40,611
Transfers	301,983	174,571	311,807	(137,236)
Adjustment for Qualifying Budget Credits	0	0	608	(608)
	<u>4,168,515</u>	<u>4,082,780</u>	<u>\$ 4,082,780</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(80,189)	26,532		
Unencumbered Cash, Beginning	326,130	246,565		
Prior Year Canceled Encumbrances	<u>624</u>	<u>307</u>		
Unencumbered Cash, Ending	<u>\$ 246,565</u>	<u>\$ 273,404</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>At Risk (4 Year Old) Fund</u>	Prior Year	<u>Current Year</u>		Variance - Over (Under)
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers	\$ 58,126	\$ 59,081	\$ 60,000	\$ (919)
	<u>58,126</u>	<u>59,081</u>	<u>60,000</u>	<u>\$ (919)</u>
Expenditures				
Instruction	57,986	59,652	\$ 60,001	\$ (349)
Student Support Services	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>(6,000)</u>
	<u>57,986</u>	<u>59,652</u>	<u>\$ 66,001</u>	<u>\$ (6,349)</u>
Receipts Over (Under) Expenditures	140	(571)		
Unencumbered Cash, Beginning	5,861	6,001		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,001</u>	<u>\$ 5,430</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 1,976,160	\$ 2,591,950	\$ 2,436,807	\$ 155,143
	<u>1,976,160</u>	<u>2,591,950</u>	<u>\$ 2,436,807</u>	<u>\$ 155,143</u>
Expenditures				
Instruction	1,954,114	2,399,910	\$ 2,591,391	\$ (191,481)
Student Support Services	0	194,903	7,525	187,378
Instructional Support Staff	19,620	18,153	13,050	5,103
School Administration	1,037	0	1,000	(1,000)
	<u>1,974,771</u>	<u>2,612,966</u>	<u>\$ 2,612,966</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	1,389	(21,016)		
Unencumbered Cash, Beginning	174,772	176,161		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 176,161</u>	<u>\$ 155,145</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Bilingual Education Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Transfers	\$ 0	\$ 5,000	\$ 6,092	\$ (1,092)
	<u>0</u>	<u>5,000</u>	<u>\$ 6,092</u>	<u>\$ (1,092)</u>
Expenditures				
Instruction	4	5,000	\$ 5,000	\$ 0
	<u>4</u>	<u>5,000</u>	<u>\$ 5,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(4)	0		
Unencumbered Cash, Beginning	4,940	4,936		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,936</u>	<u>\$ 4,936</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Virtual Education Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Transfers	<u>\$ 20,300</u>	<u>\$ 45,830</u>	<u>\$ 23,508</u>	<u>\$ 22,322</u>
	<u>20,300</u>	<u>45,830</u>	<u>\$ 23,508</u>	<u>\$ 22,322</u>
Expenditures				
Instruction	<u>20,263</u>	<u>28,059</u>	<u>\$ 28,059</u>	<u>\$ 0</u>
	<u>20,263</u>	<u>28,059</u>	<u>\$ 28,059</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	37	17,771		
Unencumbered Cash, Beginning	4,515	4,552		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 4,552</u>	<u>\$ 22,323</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2018

(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 795,185	\$ 1,013,613	\$ 843,385	\$ 170,228
County Sources	50,047	49,424	49,633	(209)
State Sources	72,925	111,282	102,961	8,321
	<u>918,157</u>	<u>1,174,319</u>	<u>\$ 995,979</u>	<u>\$ 178,340</u>
Expenditures				
Instruction	423,657	584,063	\$ 550,000	\$ 34,063
Student Support Services	0	95,863	550,000	(454,137)
Instructional Support Services	0	390,913	500,000	(109,087)
General Administration	34,155	22,566	40,000	(17,434)
Central Services	146,203	0	150,000	(150,000)
Operations & Maintenance	0	29,805	0	29,805
Transportation	0	14,163	0	14,163
Other Support Services	0	13,088	0	13,088
Facility Acquisition & Construction Services	39,934	0	1,200,000	(1,200,000)
	<u>643,949</u>	<u>1,150,461</u>	<u>\$ 2,990,000</u>	<u>\$ (1,839,539)</u>
Receipts Over (Under) Expenditures	274,208	23,858		
Unencumbered Cash, Beginning	2,496,364	2,770,707		
Prior Year Canceled Encumbrances	<u>135</u>	<u>3,246</u>		
Unencumbered Cash, Ending	<u>\$ 2,770,707</u>	<u>\$ 2,797,811</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 5,835	\$ 4,850	\$ 0	\$ 4,850
State Sources	6,528	7,808	7,000	808
	<u>12,363</u>	<u>12,658</u>	<u>\$ 7,000</u>	<u>\$ 5,658</u>
Expenditures				
Instruction	12,449	11,290	\$ 16,200	\$ (4,910)
Vehicle Operations, Maintenance Services	831	490	1,000	(510)
Other Supplemental Services	435	0	500	(500)
	<u>13,715</u>	<u>11,780</u>	<u>\$ 17,700</u>	<u>\$ (5,920)</u>
Receipts Over (Under) Expenditures	(1,352)	878		
Unencumbered Cash, Beginning	81,877	80,525		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 80,525</u>	<u>\$ 81,403</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 304,052	\$ 288,132	\$ 350,400	\$ (62,268)
State Sources	10,858	10,196	10,000	196
Federal Sources	727,327	738,463	744,800	(6,337)
Transfers	2,225	50,000	20,501	29,499
	<u>1,044,462</u>	<u>1,086,791</u>	<u>\$ 1,125,701</u>	<u>\$ (38,910)</u>
Expenditures				
Operations & Maintenance	59,896	51,297	\$ 62,500	\$ (11,203)
Food Service Operation	1,020,530	1,109,787	1,070,500	39,287
Adjustment for Qualifying Budget Credits	0	0	33,949	(33,949)
	<u>1,080,426</u>	<u>1,161,084</u>	<u>\$ 1,166,949</u>	<u>\$ (5,865)</u>
Receipts Over (Under) Expenditures	(35,964)	(74,293)		
Unencumbered Cash, Beginning	217,460	181,496		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 181,496</u>	<u>\$ 107,203</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Professional Development Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 4,518	\$ 1,930	\$ 0	\$ 1,930
State Sources	0	11,310	9,820	1,490
Transfers	<u>75,000</u>	<u>0</u>	<u>75,000</u>	<u>(75,000)</u>
	<u>79,518</u>	<u>13,240</u>	<u>\$ 84,820</u>	<u>\$ (71,580)</u>
Expenditures				
Instructional Support Staff	78,735	66,254	\$ 83,200	\$ (16,946)
Other Support Services	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>(15,000)</u>
	<u>78,735</u>	<u>66,254</u>	<u>\$ 98,200</u>	<u>\$ (31,946)</u>
Receipts Over (Under) Expenditures	783	(53,014)		
Unencumbered Cash, Beginning	94,143	94,926		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 94,926</u>	<u>\$ 41,912</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Parent Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 8,908	\$ 19,425	\$ (10,517)
Transfers	0	5,635	20,000	(14,365)
	<u>0</u>	<u>14,543</u>	<u>\$ 39,425</u>	<u>\$ (24,882)</u>
Expenditures				
Instruction	0	4,662	\$ 39,425	\$ (34,763)
Instructional Support Services	0	2,678	0	2,678
School Administration	0	7,203	0	7,203
	<u>0</u>	<u>14,543</u>	<u>\$ 39,425</u>	<u>\$ (24,882)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Summer School Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 4,224	\$ 4,610	\$ 0	\$ 4,610
Transfers	<u>45,000</u>	<u>43,473</u>	<u>45,000</u>	<u>(1,527)</u>
	<u>49,224</u>	<u>48,083</u>	<u>\$ 45,000</u>	<u>\$ 3,083</u>
Expenditures				
Instruction	<u>48,731</u>	<u>49,951</u>	<u>\$ 58,000</u>	<u>\$ (8,049)</u>
	<u>48,731</u>	<u>49,951</u>	<u>\$ 58,000</u>	<u>\$ (8,049)</u>
Receipts Over (Under) Expenditures	493	(1,868)		
Unencumbered Cash, Beginning	35,023	35,516		
Prior Year Canceled Encumbrances	<u>0</u>	<u>27</u>		
Unencumbered Cash, Ending	<u>\$ 35,516</u>	<u>\$ 33,675</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 26,534	\$ 23,598	\$ 0	\$ 23,598
Federal Sources	0	9,283	0	9,283
Transfers	<u>2,032,559</u>	<u>2,039,749</u>	<u>2,530,000</u>	<u>(490,251)</u>
	<u>2,059,093</u>	<u>2,072,630</u>	<u>\$ 2,530,000</u>	<u>\$ (457,370)</u>
Expenditures				
Instruction	1,767,399	1,913,774	\$ 2,053,512	\$ (139,738)
Student Support Services	69,693	74,714	78,650	(3,936)
Operations & Maintenance	(368)	398	0	398
Student Transportation Services	<u>193,042</u>	<u>207,876</u>	<u>411,500</u>	<u>(203,624)</u>
	<u>2,029,766</u>	<u>2,196,762</u>	<u>\$ 2,543,662</u>	<u>\$ (346,900)</u>
Receipts Over (Under) Expenditures	29,327	(124,132)		
Unencumbered Cash, Beginning	751,784	781,111		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 781,111</u>	<u>\$ 656,979</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Career and Postsecondary Education Fund	Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
State Sources	\$ 8,485	\$ 7,508	\$ 7,920	\$ (412)
Federal Sources	15,751	17,363	0	17,363
Transfers	250,059	264,091	295,000	(30,909)
	<u>274,295</u>	<u>288,962</u>	<u>\$ 302,920</u>	<u>\$ (13,958)</u>
Expenditures				
Instruction	272,502	313,863	\$ 296,500	\$ 17,363
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>17,363</u>	<u>(17,363)</u>
	<u>272,502</u>	<u>313,863</u>	<u>\$ 313,863</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	1,793	(24,901)		
Unencumbered Cash, Beginning	63,108	64,901		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 64,901</u>	<u>\$ 40,000</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 0	\$ 1,314,526	\$ 1,317,998	\$ (3,472)
Transfers	825,038	0	0	0
	<u>825,038</u>	<u>1,314,526</u>	<u>\$ 1,317,998</u>	<u>\$ (3,472)</u>
Expenditures				
Instruction	594,853	947,774	\$ 806,188	\$ 141,586
Student Support Services	111,380	177,461	300,000	(122,539)
Instructional Support Staff	18,151	28,920	35,000	(6,080)
General Administration	23,926	38,121	40,000	(1,879)
School Administration	24,751	41,144	40,000	1,144
Central Services	0	4,864	15,000	(10,136)
Operations & Maintenance	28,876	46,008	35,000	11,008
Student Transportation Services	9,075	14,460	20,000	(5,540)
Other Supplemental Services	4,125	0	6,810	(6,810)
Food Service Operation	9,901	15,774	20,000	(4,226)
	<u>825,038</u>	<u>1,314,526</u>	<u>\$ 1,317,998</u>	<u>\$ (3,472)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Bond and Interest Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 3,810,280	\$ 3,905,331	\$ 3,576,431	\$ 328,900
County Sources	222,165	228,104	228,610	(506)
State Sources	336,165	394,856	352,024	42,832
Federal Tax Credit	1,090,488	1,084,375	1,100,000	(15,625)
	<u>5,459,098</u>	<u>5,612,666</u>	<u>\$ 5,257,065</u>	<u>\$ 355,601</u>
Expenditures				
Debt Service	<u>4,889,297</u>	<u>5,576,869</u>	<u>\$ 5,576,969</u>	<u>\$ (100)</u>
	<u>4,889,297</u>	<u>5,576,869</u>	<u>\$ 5,576,969</u>	<u>\$ (100)</u>
Receipts Over (Under) Expenditures	569,801	35,797		
Unencumbered Cash, Beginning	4,506,800	5,076,601		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 5,076,601</u>	<u>\$ 5,112,398</u>		

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

<u>Federal Funds</u>			
		Prior Year	Current Year
		<u>Actual</u>	<u>Actual</u>
Cash Receipts			
Federal Sources		\$ 524,503	\$ 665,145
		<u>524,503</u>	<u>665,145</u>
Expenditures			
Instruction		509,898	498,486
Student Support Services		1,617	2,669
Instructional Support Services		86,188	87,669
		<u>597,703</u>	<u>588,824</u>
Receipts Over (Under) Expenditures		(73,200)	76,321
Unencumbered Cash, Beginning		0	(73,200)
Prior Year Canceled Encumbrances		<u>0</u>	<u>0</u>
Unencumbered Cash, Ending		<u>\$ (73,200)</u>	<u>\$ 3,121</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 182,914	\$ 153,497
	<u>182,914</u>	<u>153,497</u>
Expenditures		
Instruction	137,778	132,864
	<u>24,501</u>	<u>0</u>
	<u>162,279</u>	<u>132,864</u>
Receipts Over (Under) Expenditures	20,635	20,633
Unencumbered Cash, Beginning	97,916	118,671
Prior Year Canceled Encumbrances	<u>120</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 118,671</u>	<u>\$ 139,304</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Other	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	1,166,320	1,166,320
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,166,320</u>	<u>\$ 1,166,320</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 89,202	\$ 88,623
	<u>89,202</u>	<u>88,623</u>
Expenditures		
Instruction	68,416	124,650
	<u>68,416</u>	<u>124,650</u>
Receipts Over (Under) Expenditures	20,786	(36,027)
Unencumbered Cash, Beginning	56,087	76,877
Prior Year Canceled Encumbrances	<u>4</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 76,877</u>	<u>\$ 40,850</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 35,124,359	\$ 1,065,793
	<u>35,124,359</u>	<u>1,065,793</u>
Expenditures		
Architectural & Engineering Services	1,756,232	0
New Building Acquisition and Construction	<u>33,223,818</u>	<u>0</u>
	<u>34,980,050</u>	<u>0</u>
Receipts Over (Under) Expenditures	144,309	1,065,793
Unencumbered Cash, Beginning	426,279	570,588
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 570,588</u>	<u>\$ 1,636,381</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
El Dorado High School				
ARAT	\$ 523	\$ 0	\$ 0	\$ 523
Bookworm Club	1,046	341	94	1,293
Circle of Friends	442	1,158	31	1,569
Class of 2017	500	0	500	0
Class of 2018	3,456	1,719	5,175	0
Class of 2019	1,753	5,798	1,835	5,716
Class of 2020	47	1,150	214	983
Class of 2021	0	1,279	468	811
Class of 2022	0	538	0	538
College Bowl	101	404	464	41
Communications Club	454	0	0	454
Crier - Ad Business	86	0	0	86
Debate Club	137	2,032	1,590	579
Earth Care Club	626	0	0	626
FCA	550	0	0	550
FCCLA	1,146	2,352	2,353	1,145
Forensics	1,517	10,187	10,948	756
Instrumental Music	17	675	675	17
Kaleidoscope	5,252	3,985	6,012	3,225
Kay	1,719	3,660	2,667	2,712
Math Club	273	0	0	273
Media Technology Club	465	0	0	465
National Honor Society	525	852	762	615
Orchestra Club	1,730	12,345	12,454	1,621
SADD	1,368	5,838	4,890	2,316
World Cultures Club	366	0	0	366
Student Council	1,424	4,110	4,687	847
Robotics Club	728	0	0	728
Vocal Music Club	2,962	4,848	4,897	2,913
DECA	434	8,062	6,074	2,422
In House Training	689	313	0	1,002
JAG	1,088	2,269	2,650	707
Safety Council	1,155	2,848	2,633	1,370
Art Club	86	0	0	86
Sales Tax	43	11,402	11,363	82
Concessions	0	29,046	27,344	1,702
	<u>32,708</u>	<u>117,211</u>	<u>110,780</u>	<u>39,139</u>

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
El Dorado High School (continued)				
Football	0	2,463	101	2,362
Cross Country	0	2,185	1,093	1,092
Volleyball	0	49	0	49
Boys Soccer	0	2,220	2,220	0
Cheer	0	13,223	11,178	2,045
Boys basketball	0	1,156	0	1,156
Girl's basketball	0	1,994	1,941	53
Dance	0	1,531	1,083	448
Tack/field	0	22	0	22
Baseball	0	1,916	1,118	798
Golf	0	912	0	912
Girl's Soccer	0	40	0	40
Meal/Hotel	0	5,856	5,856	0
	<u>0</u>	<u>33,567</u>	<u>24,590</u>	<u>8,977</u>
El Dorado Middle School				
Kay	337	209	403	143
String Fling	290	0	0	290
Student Council	12,518	11,159	12,531	11,146
	<u>13,145</u>	<u>11,368</u>	<u>12,934</u>	<u>11,579</u>
Other				
Employee Trust/HR Reserve	23,522	5,070	0	28,592
Dr. John Horner	1,689	0	100	1,589
Wiedeman	24,424	170	200	24,394
Broers Special Education	20,801	90	440	20,451
	<u>70,436</u>	<u>5,330</u>	<u>740</u>	<u>75,026</u>
Total Agency Funds	<u>\$ 116,289</u>	<u>\$ 167,476</u>	<u>\$ 149,044</u>	<u>\$ 134,721</u>

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
El Dorado High School							
Gate Receipts							
Athletics - High School	\$ 23,480	\$ 0	\$ 149,642	\$ 142,963	\$ 30,159	\$ 0	\$ 30,159
Dramatics - High School	780	0	9754	5586	4,948	0	4,948
El Doradoan	2,675	0	10006	11177	1,504	0	1,504
Lillian Benson	1,854	0	0	0	1,854	0	1,854
Crime Stoppers	361	0	0	0	361	0	361
Science Olympiad	391	0	150	310	231	0	231
Student Services	73	0	0	0	73	0	73
Lifeguard Training	637	0	729	757	609	0	609
	<u>30,251</u>	<u>0</u>	<u>170,281</u>	<u>160,793</u>	<u>39,739</u>	<u>0</u>	<u>39,739</u>

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
El Dorado Middle School							
Box Tops	619	0	\$ 60	\$ 74	605	0	605
Circle of Friends	295	0	1,182	610	867	0	867
Concessions	0	0	30,054	30,054	0	0	0
Cross Country	0	0	0	0	0	0	0
EMS Activities	2,677	0	8,530	9,315	1,892	0	1,892
EMS Scarecrow	0	0	0	0	0	0	0
Fundraiser	3,702	0	6,661	9,157	1,206	0	1,206
Musical	4,380	0	4,035	2,525	5,890	0	5,890
Pop Machines	0	0	1,694	1,694	0	0	0
Yearbook	2,576	0	1,690	455	3,811	0	3,811
Ticket Gate	7,353	0	22,544	25,372	4,525	0	4,525
	<u>21,602</u>	<u>0</u>	<u>76,450</u>	<u>79,256</u>	<u>18,796</u>	<u>0</u>	<u>18,796</u>
Total District Activity Funds	<u>\$ 51,853</u>	<u>\$ 0</u>	<u>\$ 246,731</u>	<u>\$ 240,049</u>	<u>\$ 58,535</u>	<u>\$ 0</u>	<u>\$ 58,535</u>

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

**Board of Education
El Dorado Unified School District No. 490
El Dorado, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**, as of and for the year ended **June 30, 2018**, and the related notes to the financial statement, which collectively comprise **El Dorado Unified School District No. 490, El Dorado, Kansas'** basic financial statement, and have issued our report thereon dated December 18, 2018. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Board of Education
El Dorado Unified School District No. 490**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **El Dorado Unified School District No. 490, El Dorado, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 18, 2018



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

**Board of Education
Reno County Education Cooperative No. 610
Hutchinson, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **El Dorado Unified School District No. 490, El Dorado, Kansas**, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal programs for the year ended **June 30, 2018**. **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **El Dorado Unified School District No. 490, El Dorado, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **El Dorado Unified School District No. 490, El Dorado, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **El Dorado Unified School District No. 490, El Dorado, Kansas'** compliance.

**Board of Education
El Dorado Unified School District No. 490**

Opinion on Each Major Federal Program

In our opinion, **El Dorado Unified School District No. 490, El Dorado, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2018**.

Report on Internal Control Over Compliance

Management of **El Dorado Unified School District No. 490, El Dorado, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **El Dorado Unified School District No. 490, El Dorado, Kansas'** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 18, 2018

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-17	Receipts	Expenditures	Unencumbered Cash 6-30-18
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 167,620				
National School Lunch Program	10.555	520,632				
Summer Food Service Program for Children	10.559	16,262				
		<u>704,514</u>				
Child Nutrition Discretionary Grants	10.579	33,949				
		<u>738,463</u>	\$ 0	\$ 738,463	\$ 738,463	\$ 0
Department of Education						
Title I Grants to Local Educational Agencies	84.010	454,589	(73,200)	527,789	454,589	0
Special Education Grants to States	84.027	9,283	0	9,283	9,283	0
Career and Technical Education - Basic Grants to States	84.048	707	0	707	707	0
Rural Education	84.358	32,870	0	32,870	32,870	0
Supporting Effective Instruction State Grants	84.367	91,431	0	91,431	88,310	3,121
Student Support and Academic Enrichment Program	84.424	13,055	0	13,055	13,055	0
		<u>601,935</u>	<u>(73,200)</u>	<u>675,135</u>	<u>598,814</u>	<u>3,121</u>
<u>(Passes Through SCKESC)</u>						
Career and Technical Education - Basic Grants to States	84.048	16,656	0	16,656	16,656	0
Total Federal Awards		<u>\$ 1,357,054</u>	<u>\$ (73,200)</u>	<u>\$ 1,430,254</u>	<u>\$ 1,353,933</u>	<u>\$ 3,121</u>

The accompanying notes are an integral part of this schedule.

EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **El Dorado Unified School District No. 490, El Dorado, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **El Dorado Unified School District No. 490, El Dorado, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **El Dorado Unified School District No. 490, El Dorado, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **El Dorado Unified School District No. 490, El Dorado, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **El Dorado Unified School District No. 490, El Dorado, Kansas**, was determined not to be a low-risk auditee.

**EL DORADO UNIFIED SCHOOL DISTRICT NO. 490
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

There are no prior audit findings.